

MARCH 24, 2021

Directive 2021-08

TO: ALL PARTICIPATING LENDERS

**SUBJECT: FLEX 3% & FLEX 4% GRANTS MAY NOW BE UTILIZED FOR BOTH DOWN
PAYMENT AND FOR CLOSING COSTS FOR FANNIE MAE LOANS**

Effective immediately the Maryland Mortgage Program (MMP) is announcing that funds from the MMP FLEX 3% and FLEX 4% Grant products may now be applied to both Down Payment and Closing Costs, as needed. The previous restriction requiring use of grant funds only for closing costs has been eliminated. This update is effective immediately and loans in the pipeline may take advantage of this change. This Directive supersedes Directive 2019-25.

There is no change for Freddie Mac loans, since they did not have this restriction with regard to the utilization of grant funds.

The fact sheets for the 3% and 4% Flex Grants may be accessed here:

<https://mmp.maryland.gov/Lenders/Documents/FactSheets/Flex-3-Grant.pdf>

<https://mmp.maryland.gov/Lenders/Documents/FactSheets/Flex-4-Grant.pdf>

As always, we appreciate your continued participation in our programs.

If you have any questions concerning this Directive or suggestions for improvements, please email singlefamilyhousing.dhcd@maryland.gov.

Sincerely,

Karl Metzgar

Karl Metzgar
Assistant Director / Operations Manager
Single Family Housing